

UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF NEW YORK

COMPASS-CHARLOTTE 1031, LLC,

Plaintiff,

-against-

Case No.:1:24-cv-55 (MAD/DJS)

PRIME CAPITAL VENTURES, LLC
BERONE CAPITAL FUND, LP
BERONE CAPITAL PARTNERS LLC
BERONE CAPITAL LLC
BERONE CAPITAL EQUITY FUND I, LP
405 MOTORSPORTS LLC f/k/a Berone Capital Equity
Partners LLC

SUPPLEMENTAL
DECLARATION OF
PAUL A. LEVINE, ESQ.

Defendants.

PAUL A. LEVINE, as RECEIVER of PRIME CAPITAL
VENTURES, LLC,

Third-Party Plaintiff,

-against-

KRIS D. ROGLIERI, TINA M. ROGLIERI, KIMBERLY
A. HUMPHREY a/k/a KIMMY HUMPHREY, PRIME
COMMERCIAL LENDING, LLC, COMMERCIAL
CAPITAL TRAINING GROUP, THE FINANCE
MARKETING GROUP, NATIONAL ALLIANCE OF
COMMERCIAL LOAN BROKERS LLC, FUPME, LLC,

Third-Party Defendants,

I, Paul A. Levine, Esq., hereby declare the following under penalty of perjury, pursuant to
28 U.S.C. §1746:

1. Pursuant to the Court's Memorandum-Decision and Order dated January 24, 2023,

I was appointed as permanent Receiver (the "Receiver") for Defendants in this action, Prime
Capital Ventures, LLC ("Prime"), Berone Capital Fund, LP, Berone Capital Partners LLC, Berone

Capital LLC, Berone Capital Equity Fund I, LP, and 405 Motorsports LLC f/k/a Berone Capital Equity Partners LLC (collectively the “Defendants”).

2. On January 29, 2024, I as Receiver for Prime filed a Third-Party Complaint against Third-Party Defendants Kris D. Roglieri (“K. Roglieri”), Tina M. Roglieri (“T. Roglieri”), Kimberly A. Humphrey a/k/a Kimmy Humphrey (“Kimmy Humphrey”), Prime Commercial Lending, LLC (“Prime Commercial”), Commercial Capital Training Group, LLC (“CCTG”), The Finance Marketing Group (“FMG”), National Alliance of Commercial Loan Brokers (“NACLB”) and FUPME, LLC (“FUPME”) (collectively the “Third-Party Defendants”).

3. At that time, I as Receiver, also filed an emergency motion on behalf of Third-Party Plaintiff Prime seeking to: (a) enjoin Third-Party Defendants from making payments, distributions, or otherwise withdrawing or encumbering funds to themselves, to each other, or to their respective affiliates and/or family members, from any bank accounts where Third-Party Plaintiff Prime, or any Third-Party Defendant herein deposited, held or received in connection with loan financing to Prime’s borrowers; (b) enjoining Third-Party Defendants from transferring, selling, disposing, driving or encumbering certain automobile assets; (c) enjoining Third-Party Defendants from transferring, selling, disposing or encumbering any real estate, personal property or other tangible assets in their possession or to which they hold title or any legal interest, which tangible assets were purchased with monies from identified ICA Accounts; (d) requiring Third-Party Defendants to return all funds withdrawn from the identified ICA Accounts which were withdrawn for any purpose other than that provided for in the line of credit lending documents or agreements executed between a Borrower and Prime, Prime Commercial, CCTG, FMG, NACLB, or FUPME; and (e) authorizing the Receiver to take expedited discovery of Third-Party Defendants and necessary third-parties identified therein and in the Third-Party Complaint (the “Emergency Motion”).

4. As Receiver, I hereby submit this Supplemental Declaration because since submitting the Emergency Motion, the Receiver received additional information regarding additional vehicles purchased by Prime, and I seek to have these vehicles included in the Emergency Motion.

5. As noted in the Third-Party Complaint, based on KeyBank and Citibank account statements obtained through subpoenas issued in this matter, I was able to identify vehicles and other luxury items that were purchased using funds in those Prime's accounts and also noted that as more purchases were able to be discerned, the list and amount of those purchases would only grow.

6. As the shown in the lists contained in the Third-Party Complaint, certain purchases were made from RM Auctions, Inc. ("RM") and Bonhams Butterfields Trust using Prime accounts, and as such, documents were requested from RM and Bonhams & Butterfields Auctioneers Corp. ("Bonhams").

7. On January 29, 2024, RM produced documents to the Receiver that enclosed records relating to the following transactions:

- i. November 18, 2022 - \$4,729,745.00 - HSBC Bank Account XX9510;
- ii. December 12, 2022 - \$2,337,710.00 - Comerica Bank Account XX3974;
- iii. April 27, 2023 - \$1,000,000.00 - Comerica Bank Account XX6292;
- iv. May 15, 2023 - \$1,000,000.00 - Comerica Bank Account XX6292; and
- v. September 15, 2023 - RM Sotheby's Account XX6292 to Prime Capital Ventures, LLC Account xx2233.

8. A copy of the documents produced by RM are collectively annexed as Exhibit "A" hereto.

9. A review of these records shows that K. Roglieri purchased several additional vehicles using Prime accounts that were not listed in the Receiver's Emergency Motion. These records further demonstrate how K. Roglieri also irresponsibly wasted Prime's money in trying to purchase exotic luxury sports cars.

10. Specifically, a review of the RM records shows that on November 5, 2022, Prime bid £1,700,000 on a 2003 Ferrari Enzo (VIN: ZFFCZ56B000132659)¹ from RM Sotheby's (in the United Kingdom), and that on November 21, 2022, Prime wired RM Sotheby's £1,961,540 for the purchase of this vehicle.

11. Further, on November 5, 2022, Prime bid £1,750,000 on a 2014 Ferrari LaFerrari (VIN: ZFF76ZHB000203166)² from RM Sotheby's (in the United Kingdom), and on November 11, 2022, Prime wired RM Sotheby's £2,037,114.72 for the purchase of this vehicle.

12. The purchase of these two vehicles is shown on the November 2022 Citibank Statement as one transaction because it shows that on November 18, 2022, a same day transfer in the amount of **\$4,729,725.00** is made from Prime's Citibank xxxx-6945 account to the very same HSBC account noted on the RM Sotheby's bills of sale for the 2003 Ferrari Enzo and 2014 Ferrari LaFerrari (*see* November Statement for Prime's Citibank Account (redacted), annexed as Exhibit "B" hereto, at p. 4).

13. The Order to Show Cause for the Receiver's Emergency Motion identifies both of these vehicles, but this information from RM more specifically identifies these vehicles and should supplement that list.

¹Here is a link to RM for the list for this particular vehicle: <https://rmsothbys.com/en/auctions/lf22/london/lots/r0035-2003-ferrari-enzo/1301202>.

²Here is a link to RM for the list for this particular vehicle: <https://rmsothbys.com/en/auctions/lf22/london/lots/r0036-2014-ferrari-laferrari/1301211>.

14. In addition, the information from RM, along with the Prime bank account information, conclusively establishes that the 2003 Ferrari Enzo and 2014 Ferrari LaFerrari were purchased by K. Roglieri with Prime funds. The Third-Party Complaint does not include the **\$4,729,725.00** used to purchase these vehicles as being associated with purchases related to vehicles or other luxury items purchased with Prime's accounts, as such, that list should also be supplemented to include this transaction.

15. Additionally, the RM records show that on or about December 12, 2022, K. Roglieri purchased the following engine and vehicles from RM for total of **\$2,337,710.00**:

- i. a Ferrari V-12 Engine for \$260,810;
- ii. a 1987 Mercedes-Benz 560 SEC AMG 6.0 Wide Body (VIN: WDB1260451A315331)³ with 24,055 kilometers for \$720,075;
- iii. a 1982 Mercedes-Benz 500 SLT AMG 5.0 (VIN: WDB10704612001675)⁴ with 113,315 kilometers for \$291,075;
- iv. a 2007 Mercedes-Benz SLR McLaren 722 Edition (VIN: WDDAJ76F27M001391)⁵ with 4,981 miles for \$808,075; and
- v. a 1989 Mercedes-Benz 560 SEL AMG 6.0 (VIN: WDB1260391A497466) with 62,189 kilometers for \$257,675.

16. The RM records show that Prime wired **\$2,337,710.00** to RM's Comerica Bank Account from Prime's Citibank account on December 12, 2022.

17. A review of Prime's Citibank statements from December 2022 confirms that on December 12, 2022, a same day transfer in the amount of **\$2,337,710.00** was made from Prime's

³ Here is a link to RM for the listing for this particular vehicle:

<https://rmsotthebys.com/en/auctions/mi22/miami/lots/r0014-1987-mercedes-benz-560-sec-amg-60-wide-body/1284525>.

⁴ Here is a link to RM for this particular vehicle: <https://rmsotthebys.com/en/auctions/mi22/miami/lots/r0015-1982-mercedes-benz-500-sl-amg-50/1284527>.

⁵ Here is a link to RM for this particular vehicle: <https://rmsotthebys.com/en/auctions/mi22/miami/lots/r0050-2007-mercedes-benz-slr-mclaren-722-edition/1306724>.

Citibank xxxx-6945 account to the very same Comerica Bank account noted on RM's bills of sale for these vehicles and engine (*see* December Statement for Prime's Citibank Account (redacted), annexed as Exhibit "C" hereto, at p. 4).

18. Of note, these documents from RM include multiple copies of K. Roglieri's driver's license, indisputably establishing that K. Roglieri is the individual that purchased these items with Prime funds.

19. The Order to Show Cause for the Receiver's motion does not identify any of the above vehicles or the engine. As such, that list should be supplemented to include these four vehicles and the engine.

20. Further, this **\$2,337,710.00** was not included in the Third-Party Complaint as being associated with purchases related to vehicles or other luxury items purchased with Prime's accounts, and that list should also be supplemented to include this transaction.

21. Lastly, a review of the RM records shows that on or about March 4, 2023, K. Roglieri bid on a certain 2010 Pagani Zonda R from RM Sotheby's for \$4,850,000.00⁶, which after a buyer's premium, administrative fee, shipping and sales tax came to total purchase price of \$5,341,875.00.

22. According to the RM records, K. Roglieri was slow to pay for the 2010 Pagani Zonda R, but on April 27, 2023, K. Roglieri wired RM \$1,000,000 and on May 15, 2023, K. Roglieri wired RM another \$1,000,000. However, based on these records, K. Roglieri never finished this transaction and after repeated demands for payment, RM made K. Roglieri aware that they had another offer on the 2010 Pagani Zonda R for \$4,400,000 and that if the outstanding balance of \$3,618,363.24 was not paid by August 18, 2023, that RM would accept the other offer

⁶ RM's listing for the 2010 Pagani Zonda R can be found here: (<https://rmsothbys.com/en/auctions/am23/amelia-island/lots/r0093-2010-pagani-zonda-r-revoluci%C3%B3n-specification/1332229>).

and retain his \$2,000,000 to recover the difference in the sales price, including the buyer's premium and interest.

23. K. Roglieri never wired any additional money to RM, and as a result, RM accepted the other offer and only refunded \$778,364.62 of the \$2,000,000 K. Roglieri had wired, as RM kept \$1,221,635.38 to recoup the \$941,875 difference in the lower sales price to the next buyer for \$4,400,000, plus \$1,875 in costs and \$279,760.38 in interest.

24. As noted in my Third-Party Complaint, there were two wires of \$1,000,000 each from Prime to RM Auctions on April 27, 2023 and May 5, 2023 – which make up the \$2,000,000 K. Roglieri paid RM towards the attempted purchase of the 2010 Pagani Zonda R. As is also noted in the Third-Party Complaint, Prime's KeyBank account also shows that there was \$778,364.62 wired back to Prime's KeyBank account on September 13, 2023 from RM Auctions showing the refund.

25. Nevertheless, because of this attempted purchase of another exotic luxury sports car, K. Roglieri wasted **\$1,221,635.38** of Prime's assets, the amount of which will not be able to be recouped. Aside from the obvious issue of company monies, this fiasco shows gross mismanagement and incompetence on the part of Mr. Roglieri.

26. Moreover, along with the documents produced by RM, on January 31, 2024, Bonhams also produced documents regarding a purchase involving Prime's account.

27. A copy of the documents produced by Bonhams are annexed as Exhibit "D" hereto.

28. As demonstrated in the Third-Party Complaint, on February 28, 2023, a purchase in the amount of \$3,811,000 was made from Bonhams using Prime's Citibank account.

29. According to the documents produced by Bonhams, on or about January 27, 2023, K. Roglieri was the winning bidder at Bonham's Scottsdale Auction at The Westin Kierland Resort

& Spa for a certain 2006 Maserati MC12 Corse (VIN: ZAMDF44B000029626)⁷ (the “MC12”) with a final hammer price of \$3,460,000.00.

30. Pursuant to the Bonham’s initial Credit Note and Invoice, as K. Roglieri was from New York, in addition to the bid price of \$3,460,000.00, K. Roglieri was also going to have to pay a buyer’s premium of \$351,000, 8% sales tax on the MC12 of \$276,800 and 8% sales tax on the buyer’s premium of \$28,800, which resulted in a total sales price of \$4,115,880.00.

31. Thereafter, on or about February 20, 2023, in what appears to be an effort to avoid paying sales tax, K. Roglieri had Bonhams change his contact and shipment information to “Kris Roglieri, Shark Ventures, LLC, PO Box 16270, Missoula, MT 59808” as the Montana state sales tax rate is currently 0%.

32. As such, on or about February 20, 2023, Bonhams issued a new invoice with K. Roglieri’s Montana contact information and this invoice reduced the total price to \$3,811,000 as it only included the bid price of \$3,460,000.00 and the buyer’s premium charge of \$351,000.

33. According to Bonham’s records, on February 28, 2023, a wire from Prime Capital Ventures LLC in the amount of \$3,811,000 cleared Bonham’s City National Bank account.

34. A review of Prime’s Citibank Statements for February 2023 confirms that on February 28, 2023, a same day transfer in the amount of \$3,811,000.00 was made from Prime’s Citibank xxxx-6945 account to the very same City National Bank account noted in Bonham’s records for the sale of the MC12 (*see* February 2023 Statement for Prime’s Citibank Account (redacted), annexed as Exhibit “E” hereto, at p. 3).

⁷ Bonhams’ listing for the MC12 can be found here: <https://cars.bonhams.com/auction/28009/lot/183/2006-maserati-mc12-corse-vin-zamdf44b000029626/#photos>. The MC12 is the same vehicle profiled in the article attached as Exhibit “F” to the Third-Party Complaint, which details the work that K. Roglieri had AI Design perform on the MC12 for his use in the 2023 Gold Rush Rally that was also paid for with Prime monies.

35. The Order to Show Cause for the Receiver's motion does not identify the MC12. As such, that list should be supplemented to include the MC12, and that vehicle should be included under the relief I am seeking from the Court.

36. In addition, I may have to further amend the Third-Party Complaint to add Shark Ventures, LLC.

37. Therefore, based on the forgoing, I hereby request that the following vehicles and engine be included under the Order to Show Cause and be enjoined from being transferred, sold, disposed of, driven, or encumbered:

- 1987 Mercedes-Benz 560 SEC AMG 6.0 Wide Body (VIN: WDB1260451A315331);
- 1982 Mercedes-Benz 500 SLT AMG 5.0 (VIN: WDB10704612001675);
- 2007 Mercedes-Benz SLR McLaren 722 Edition (VIN: WDDAJ76F27M001391);
- 1989 Mercedes-Benz 560 SEL AMG 6.0 (VIN: WDB1260391A497466);
- Ferrari V-12 Engine; and
- 2006 Maserati MC12 Corse (VIN: ZAMDF44B000029626).

38. In addition to the information from RM and Bonhams, as Receiver, I became aware that on January 29, 2023, Caruso Home Builders, LLC ("Caruso") and Sage Estates Malta, LLC ("Sage") commenced an action against Prime in Saratoga County Supreme Court under Index No. EF2024312. A copy of Caruso and Sage Complaint is annexed as Exhibit "F" hereto).

39. In that case, Caruso alleges a similar type loan scheme as is at issue in this action, where Caruso provided a \$2,100,000 ICA deposit (along with a \$500,000 line of credit fee) under a Development Line of Credit Agreement ("DLOC") in the aggregate amount of \$10,000,000, but

in that matter, it looks like Prime actually advanced \$5,000,000 of the \$10,000,000 it agreed to fund, but has failed to fund the remainder. I am in discussions with Caruso's attorneys to try to find a resolution of the dispute which would result in monies being paid to me as Receiver for Prime.

40. Through counsel for Caruso, I learned that Caruso has also separately performed work for K. Roglieri at his home at 40 North Road, Queensbury, New York 12804. Caruso invoiced K. Roglieri for this work on May 17, 2023, and that Caruso paid for this work by a wire sent on May 24, 2023 in the amount of \$140,000 with the description "Internal Wire Dp Prime Capital Ve 2233."

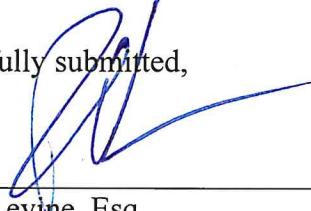
41. A review of the wire confirmation provided by Caruso and comparing it with Prime's KeyBank Statement for account xxxxxxxx2233 for May 2023 confirms that on May 24, 2023, a wire was completed from Prime's KeyBank account xxxxxxxx2233 in the amount of \$140,000 to Anthony V. Caruso (*see* Wire Confirmation from Caruso, annexed as Exhibit "G" hereto; *see also* KeyBank Account Statement for May 2023 (redacted), annexed as Exhibit "H" hereto).

42. This is just another example of K. Roglieri fraudulently converting Prime assets for his personal use, with this expenditure being directed towards enhancing the value and image of his personal residence at 40 North Road, Queensbury, New York 12804, which, I understand, he refers to as the "Castle".

43. I respectfully request that the Court consider this additional information when ruling on my Emergency Motion.

Dated: February 2, 2024
Albany, New York

Respectfully submitted,


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